



BUCHAREST ENERGY CHARTER DECLARATION

We, the Members of the Energy Charter Conference assembled in Bucharest, Romania, on 27 November 2018 for the 29th Meeting of the Energy Charter Conference, with attendance of high-level representatives from 35 Energy Charter Contracting Parties/Signatories and 11 Observers of different regions of the world and 1 international organisation.

Reiterating our commitment to the Energy Charter Treaty and the principles of the 2015 International Energy Charter,

Recalling the Ashgabat Declaration of the 28th Meeting of the Energy Charter Conference adopted in 2017 and the final documents agreed in the framework of this Conference,

Emphasizing that the Energy Charter Treaty, as a multilateral framework for investment protection in the energy sector, provides legal instruments that are helpful and complementary to policies and regulations in promoting investments and energy efficiency required to support a sustainable energy future,

Acknowledging that broader energy cooperation, including among Contracting Parties and Observers, is essential for economic progress and more generally for social development,

Being aware of our convergent interests in the energy field and the mutual benefits that the cooperation and investment protection framework will bring to our countries and citizens,

Recognising the need for sustained, continued and significant progress towards a sustainable energy future in line with the Paris Agreement adopted at the Paris Climate Conference in December 2015,

Reiterating the importance of the modernisation of the Energy Charter Treaty to guarantee that it keeps providing balanced rules to protect investments that ensure stable energy supply, energy access, and a sustainable energy future,

Reiterating the findings of the 2018 Bucharest International Energy Charter Forum entitled «Energy Efficiency: a priority in combating energy poverty and providing access to affordable energy for all»,

Appreciating the fruitful discussions and shared experiences in the framework of the Industry Advisory Panel Meeting, having as main topic «*Improving the security of cross-border energy flows and developing intelligent conventional energy*», held in Bucharest on 27 November 2018,

Being aware of the need to promote technical and technological cooperation among signatories as a key approach to ensuring investments with regard to innovative energy technologies,

Considering that policy dialogue on the role of innovation in delivering energy security, sustainability and prosperity will facilitate the identification of instruments to tackle the challenge of addressing energy demand in a sustainable manner.

Expressing gratitude to the Government of Romania for the support provided for convening the 29th Meeting of Energy Charter Conference and highlighting the efforts made by Romania in increasing the role of the Energy Charter during the year of its Chairmanship,

Adopt:

- The Bucharest Energy Charter Declaration as a strategic document towards the next Meeting of the Energy Charter Conference in 2019

Modernisation of the Energy Charter Treaty

- We believe that modernization efforts are essential to properly address developments in the energy sector, especially in light of the rapid changes that have occurred in recent years, which brought both new opportunities and new challenges for the entire sector.
- In particular, decarbonization, digitalization and electrification require important alignment and therefore, considerable targeted investments are needed to enable a safe energy supply to the final consumer at affordable prices.
- International investment policy has evolved considerably since the ECT was adopted.
- It is therefore essential to bring the investment protection of the ECT in line with modern standards, in order to ensure that the Treaty can effectively play its role as an important instrument to protect investment in the energy sector while considering the legitimate right of governments to regulate.
- In the frame of the modernisation process, investment protection of the ECT should be further developed, as well as transit issues. We strongly commit to start discussions on the modernization of the ECT and will undertake every effort to reach a final conclusion on the most suitable policy options in a timely and proper manner, reflecting the new realities of the energy sector and investment policy and serving the interests of the Energy Charter constituency.

Mitigating investment risks by assessing the policy, legal and regulatory environment

- We believe that governments have a high degree of responsibility to create an environment conducive for investment in the energy sector and to mobilise finance from a wide variety of sources, in particular in recognition of the large investment

requirements towards a sustainable energy future and to meet UN Sustainable Development Goal 7, which stipulates access to sustainable energy for all.

- Therefore, we welcome the launch of the 2018 Energy Investment Risk Assessment report and encourage the Secretariat to continue this publication in 2019, building on the lessons learned and the experience gained.
- We promote the use of the Investment Facilitation Toolbox containing a checklist of policy options for removing discriminatory and de facto barriers to the establishment (entry) of energy investments for which countries can rely on the assistance of the Investment Promotion Centre of the Energy Charter Secretariat.

Combating Energy Poverty by encouraging investments in energy efficiency

- We recognize that combating energy poverty and addressing climate change, as well as improving housing will bring added value to the economy of our countries and to our citizens. We consider that investments in energy efficiency may become one of the most effective measures in alleviating energy poverty.

Increasing energy security by developing international cooperation and innovation aimed to ensure the development of integrated energy markets

- We firmly believe that initiatives which lead to increased global energy stability need to be enhanced. Building on the experience of Contracting Parties and the willingness of Observers to ultimately accede to the Energy Charter Treaty, mutually beneficial projects may be developed, by promoting a “win-win” principle in business and taking into consideration the need to assure complementarity and avoid duplication with already established development frameworks.
- We are committed to promote the rules-based approach and a level playing field in energy, along with mutually beneficial exchanges of technology and cooperation on technological innovative development in all energy fields, as an important phase to ensure a higher level of integrated energy markets and energy security.
- Being aware of the fact that the future of the planet depends on preserving the environment, we are convinced that energy investment, as promoted by the Energy Charter Treaty, is the most effective instrument for technology innovation and transfer in the energy sector.
- In implementing joint or coordinated action, we are committed to encourage private initiative to make full use of the potential of enterprises, institutions and all available financial sources, and to facilitate technical cooperation aiming at promoting the international flow of investments.

Improving the security and reliability of cross-border energy flows

- We emphasize the necessity of improving the security and reliability of cross-border energy flows by protecting critical infrastructures and routes and preventing energy emergencies, in line and in coordination with policies and initiatives promoted by international agreements and relevant international organizations.

- We are aware that mutually beneficial cross-border cooperation can be considered as a key element, taking into consideration its potential to promote economic and social development, to address common challenges and to put in place better conditions for all the countries involved. Cross-border cooperation has also the potential to promote development possibilities, to foster people-to-people contacts as well as networks between local communities. It contributes to the establishment of a common border-region identity and facilitates the generation of social capital, trust and mutual understanding among the communities on both sides of the border.
- We recognize the high importance of existing transit routes between ECT Contracting Parties as an efficient measure that enhances energy security worldwide and improves the supply chain with affordable energy resources.
- We recognize that for many countries natural gas can play an important and effective role in moving towards a low greenhouse-gas (GHG) emission energy future while securing energy security and economic prosperity and we believe that a well-functioning, transparent and competitive global gas/LNG market should be further developed and global gas supply security should be further strengthened.

Enlargement of the Energy Charter Treaty membership

- We support efforts of countries engaged in the accession process to the Energy Charter Treaty and welcome the successful accession of Jordan to the ECT in 2018, ratification of ECT by Yemen as well as completion of accession reports by Bangladesh, Chad, China, Eswatini and Uganda during the Romanian Chairmanship. We encourage acceding countries where ECT ratification process is pending to continue efforts on finalising their respective internal decision making process.

Done in Bucharest on 27 November 2018